

FERRY COUNTY, WASHINGTON  
January 1, 1995 Through December 31, 1995

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Schedule Of Federal Findings

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1. Charges To Federal Programs Should Comply With Federal Regulations

Our audit of the Public Safety Partnership and Community Policing (COPS) Grant, CFDA 16.710, found that the county received reimbursement for expenditures in excess of those actually incurred. This is not allowed by federal regulations.

Both the "Common Rule" and OMB Circular A-87 establish standards for documentation and allowability of costs chargeable to federal programs. The "Common Rule" also requires that procedures are established to minimize the time elapsed between the transfer of funds from the U.S. Treasury and disbursement by grantees to subrecipients.

The COPS grant terms and special conditions contract, Section 8 states in part:

The funding under this project is for the total number of officers . . .  
and may be used to pay only SALARIES AND APPROVED FRINGE  
BENEFITS . . . .

Each quarter, the county billed the U.S. Department of Justice one fourth of the program budget instead of actual expenditures. When we deducted actual grant expenditures from grant revenues received, we noted that the county was overpaid for most of the year. The following schedule illustrates the quarterly effect:

<u>Quarter</u>	<u>Over (Under) Payment</u>
First	\$ 10,201
Second	8,124
Third	6,048
Fourth	<u>(18,720)</u>
Total	<u>\$ 5,653</u>

This resulted in \$5,653 worth of unsupported expenditures. See the accompanying Schedule of Questioned Costs.

The county also included an administrative fee in reimbursement requests. The county only reimbursed its subrecipient for 69 percent of actual grant expenditures. However, the county received reimbursement for 75 percent of these same expenditures. This resulted in \$1,623 worth of unsupported county expenditures. See the accompanying Schedule of Questioned Costs.

We recommend the county repay the \$7,276 and any interest due to the U.S. Department of Justice. We further recommend the county base future reimbursement requests on actual grant expenditures.